PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

UFF Management (PTY) ltd

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🏳	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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Reported Information

Public version

Organisational Overview

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PRI Principles for Responsible Investment

Basic Information

OO 01	Mandatory	Gateway/Peering	General

OO 01.1 Select the services you offer.

☑ Fund management

% of assets under management (AUM) in ranges

- ○ <10%
- ○ 10-50%
- ◉ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 01.2 Additional information. [Optional]

South Africa

OO 02	Mandatory	Peering	General

OO 02.1 Select the location of your organisation's headquarters.

South Africa

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ○ 1
- ◉ 2-5
- ○ 6-10
- ○ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

10

OO 03	Mandatory	Descriptive	General

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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

○ Yes

◉ No

OO 04	Mandatory	Gateway/Peering	General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			600	000	000
Currency	ZAR				
Assets in USD			58	094	354

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

◉ Approximate percentage breakdown to the nearest 5% (e.g. 45%)

○ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General

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OO 06.1	To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

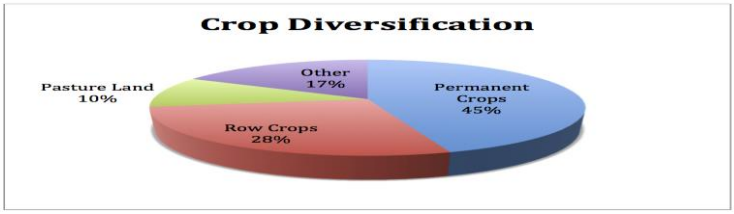
○ Publish our asset class mix as percentage breakdown

○ Publish our asset class mix as broad ranges

◉ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

Crop diversification

- Permanent Crops (fruits, nuts, olives): guideline maximum exposure 65%
- Row Crops (maize, wheat, soy, cane, potatoes, veggies): guideline maximum exposure 40%
- Pasture Land (grazing for meat/dairy): guideline maximum exposure 15%
- Other (not classifiable under any of the above categories): guideline maximum exposure 25%



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OO 06.2	Additional information. [Optional]

Permanent Crops (fruits, nuts, olives): guideline maximum exposure 65% Row Crops (maize, wheat, soy, cane, potatoes, veggies): guideline maximum exposure 40% Pasture Land (grazing for meat/dairy): guideline maximum exposure 15% Other (not classifiable under any of the above categories): guideline maximum exposure 25%

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General

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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

☑ Farmland

☐ None of the above

OO 11.3	Additional information. [Optional]

IFC Standards on Environmental Social Governance, Healthcare program and Educational program and workers housing improvements

OO 12	Mandatory	Gateway	General

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1

Indicate if you have a responsible investment policy.

- (●) Yes
- ( ) No

OA 01.2

Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (●) Yes
- ( ) No

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PRI Principles for Responsible Investment

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Social Responsibility is a key component in the Agrifunds investment process; reducing poverty through worker and community development, rural development and economic empowerment. At the Agrifund we are not "box ticking" to comply with social responsibility. The Agrifund incorporates Environmental Social Governance (ESG) issues into the decision making process; ESG assessments and continual monitoring as well as implementation procedures and reporting of activities and progress, in line with Responsible Investment requirements. As institutional investor, we have a duty to act in the best long-term interests of our beneficiaries. The Agrifund ensures to meet the expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behavior. We are committed to sustainable development and continuous improvement of labour conditions on farms and pack houses; this is an integral part of our approach to risk management. The Agrifund implements, supports and monitors various best practice ESG standards and guidelines for farming; promoting environmental sustainability, respecting labour and human rights, respecting land and resource rights and high ethical standards; recognized both local and internationally. This document provides a guideline on how the Agrifund includes responsible investment considerations into its investment decisions and ownership practices. The Agrifund works in the spirit of the Code for Responsible Investing in South Africa (CRISA). Globally in terms of the United Nations Principles for Responsible Investment (UNPRI); as signatory we adopted the investment principles and are member of the Farmland working group. The Agrifund its geographical focus is driven predominantly by the assessment of risks related to these countries. Focus is on countries that are low- to medium-risk, and are in the natural investment sphere of South African companies, mainly in South- and Eastern Africa. Composite indexes and indicators on levels of governance, corruption, political stability, human rights, violence and crime are used as guidelines. World Bank's Worldwide Governance Indicators: Political Stability& Absence of Violence and The Corruption Perceptions Index (CPI) In its selection of Agri projects, the Agrifund has a stringent financial and social due diligence process. The Agrifund follows the OECD guidelines for Multinationals on prevention of bribery and corruption, and adheres to various guidelines and acts as set by South African law, being signatory to the OECD . The Agrifund complies with the Promotion of Access to Information Act (PAIA Act 200) and requires operators acting on our behalf to respect the rule of law and to reflect an informed view of industry best-practice in their operations. All farms in the due diligence phase, next to an agro and financial assessment, are assessed in-depth on their Environmental Social Governance (ESG). In line with Sedex Members Ethical Trading Audit guidelines (SMETA) , onsite audits are carried out, seeking compliance with the Worldbank's International Finance Cooperation (IFC) Standards on Environmental Social Governance . The IFC standards are based on the Equator Principles ; incorporating and covering all relevant International Labour Organisation (ILO) , United Nations (UN), World Health Organisation (WHO), Food & Agriculture Organisation (FAO) standards and conventions. The following core issues are addressed within the 8 specific standards: organizational governance and management systems; labour and working conditions, human rights, community health & safety, pollution prevention, land acquisition & resettlement, biodiversity and natural resource management, indigenous people & cultural heritage. All farms are Global G.A.P certified by independent auditors, reassuring consumers about how food is produced on the farm by minimizing detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare. The final ESG assessment report including follow up and improvements measurements regarding all 8 Performance Standards, is sent to the IC for approval. If not yet available up to standards, a solid health care program and skills transfer program for farm-employees is to be implemented on all farms. The farm will be obligated to invest every year into various programs and follow up measures, in order to comply with the IFC standards and Fund Guidelines. The conditions are laid down in the contract with the farm and are confirmed in detail in the ESG reports and follow up measures. Social development - education and

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healthcare: The Agrifund contributes to sustainable development, including education and health of the communities. The minimum annual spend on combined educational and healthcare programs, is 0,5% of invested capital and/or investment value. As most farm workers currently do not have access to health care, the Agrifund establishes access to primary health care services for permanent farm workers, provided by partner CareCross where available. The prepaid OcsaCare insurance offers the farm workers unlimited access to CareCross doctors, dentists and optometrists, free provision of acute & chronic medicines, radiology & pathology services according to protocol. Next to the health care program an education program will be rolled out including Adult Basic Education and Training (AET, covering numeracy, communication and literacy). Depending on the skills development level of farm workers; additional training like personal financial planning and life-skills are offered. From the 2nd year onwards, motivated farm workers are selected who will be granted the opportunity to participate in Agri -Management training, educating and training these workers become independent competitive farmers in the foreseeable future. Local and international acknowledged development projects Various (local) ethical trade initiatives and social development projects are implemented where applicable, to support social development on farms. In South Africa, on dedicated farms, The Ethical Trading Initiative (ETI) Supervisor training program is implemented, promoting and protecting workers rights and equal treatment of all workers at their level of responsibility. Where possible, agreements and guidelines derived from the South African Ethical Trade Handbook are implemented in line with the Sustainability Initiative of South Africa (SIZA) recommendations and requirements. Technical Training on Carbon footprint Calculating by Confronting Climate Change (CCC) . The training and Calculations provide better understanding of the Carbon footprint of a farm; its electricity, pesticide and water usage. The farms get a comprehensive GHG emission profile, which assists in developing efficiency opportunities, for example solar energy and improving carbon efficiency going forward. All South African farms are linked with various programs supporting BBEE requirements; Employment Equity, Skills Development, labor relations and human rights, occupational Health & Safety acts. Reporting and results The Agrifund monitors the farms with regards to social and environmental data, implementation of improvement measures, health care and education programs. ESG assessments take place on-site annually when necessary. The Agrifund reports quarterly to its investors on activities and progress towards social and ethical development and progress through Responsible Investment indicators: labour conditions, job security, healthcare, education, production, environmental impact. With all reporting, appropriate confidentiality considerations are taken into account. In line with UNPRI requirements, an annual report is published covering the progress made towards implementation of ESG initiatives. The Agrifund encourage local exits, contributing to local ownership; seeking to exit holdings by selling them to local farm managers and empowered workers.

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.1 Indicate if your responsible investment policy is publicly available.

◉ Yes

OA 02.2 Provide a URL to your responsible investment policy.

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	URL

http://www.uff.co.za

○ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.

◉ Yes

○ Yes, all

◉ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
FAQ Responsible Investment	http://www.futuregrowth.lu
Prospectus	http://www.futuregrowth.lu
Factsheets	http://www.futuregrowth.lu
ESG assessment procedure	http://www.uff.co.za
annual & quarterly reports	http://www.futuregrowth.lu

○ No

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

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Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ Engagement/active ownership policy ☑ Specific guidelines on corporate governance ☑ Specific guidelines on environmental issues ☑ Specific guidelines on social issues ☑ Asset class-specific guidelines ☑ Screening/exclusion policy ☐ Other, specify ☐ Other, specify	◉ Applicable policies cover all AUM ○ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

OA 04 | **Mandatory** | **Core Assessed** | **General**

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

○ No

Objectives and strategies

OA 05 | **Mandatory** | **Gateway/Core Assessed** | **General**

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

◉ Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

◉ At least once per year

○ Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

◉ Quarterly

○ Biannually

○ Annually

○ Every two years or less

○ It is not reviewed

○ No

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OA 05.4	Additional information. [Optional]

On quarterly basis social performance indicators are checked, on annual basis an onsite ESG assessments take place. Continuous monitoring of progress on improvement measures takes place.

OA 06	Voluntary	Descriptive	General

OA 06.1	List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☑ Add responsible investment objective 1

Objective 1	(access to) education and healthcare
Key performance indicators	# of workers attending AET (numeracy & literacy) classes, receiving & agricultural training and management education, # workers access to primary healthcare, # workers visiting GP once a year
Describe the progress achieved	Dedicated education & healthcare transport (Northern Cape seasonal & permanent workers), Ocsacare prepaid healthcare (Limpopo and Western Cape permanent workers), AET classes for permanent workers (all farms).

☑ Add responsible investment objective 2

Objective 2	Job security and labour conditions
Key performance indicators	# permanent and seasonal workers contracts, spenditure on health and safety, environmental management, implementation of workers wellness and HIV/Aids training
Describe the progress achieved	growth in permanent positions, improved understanding of workers rights, increased training and awareness of H&S and workers safety

☑ Add responsible investment objective 3

Objective 3	Improved (access to) worker accommodation and sanitation (ablution)
Key performance indicators	# of houses assessed, # of houses constructed and upgraded, amount of money spent on construction and upgrading, # of working ablution facilities
Describe the progress achieved	all workers houses & sanitation on the farms assessed, quotes and plans have been submitted, construction and upgrading commenced on all farms

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OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☑ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	improved access to healthcare
Key performance indicators	# workers with improved access to healthcare, # visits to GP, Specialists. $ spent on healthcare, $ spent H&S

☑ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	improved education and training
Key performance indicators	# workers attending workers skills, training and education programs, # workers attending management training, $ spent on education and training, # workers writing exams

☑ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Improved food security
Key performance indicators	# area and land under cultivation

Governance and human resources

OA 07	Voluntary	Descriptive	General

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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

All farms in the due diligence phase, next to an agro and financial assessment, are assessed in-depth on their Environmental Social Governance (ESG). In line with Sedex Members Ethical Trading Audit guidelines (SMETA), onsite audits are carried out, seeking compliance with the Worldbank's International Finance Cooperation (IFC) Standards on Environmental Social Governance. The final ESG assessment report including follow up and improvements measurements regarding all 8 Performance Standards, is sent to the IC for approval. If not yet available up to standards, a solid health care program and skills transfer program for farm-employees is to be implemented on all farms.

The farm will be obligated to invest every year into various programs and follow up measures, in order to comply with the IFC standards and Fund Guidelines. The conditions are laid down in the contract with the farm and are confirmed in detail in the ESG reports and follow up measures.

The IFC standards are based on the Equator Principles ; incorporating and covering all relevant International Labour Organisation (ILO), United Nations (UN), World Health Organisation (WHO), Food& Agriculture Organisation (FAO) standards and conventions. The following core issues are addressed within the 8 specific standards: organizational governance and management systems; labour and working conditions, human rights, community health & safety, pollution prevention, land acquisition & resettlement, biodiversity and natural resource management, indigenous people & cultural heritage.

All farms are Global G.A.P certified by independent auditors, reassuring consumers about how food is produced on the farm by minimizing detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare.

The Agrifund monitors the farms with regards to social and environmental data, implementation of improvement measures, health care and education programs. ESG assessments take place on-site annually when necessary.

The Agrifund reports quarterly to its investors on activities and progress towards social and ethical development and progress through Responsible Investment indicators: labour conditions, job security, healthcare, education, production, environmental impact. With all reporting, appropriate confidentiality considerations are taken into account.

In line with UNPRI requirements, an annual report is published covering the progress made towards implementation of ESG initiatives.

☑ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

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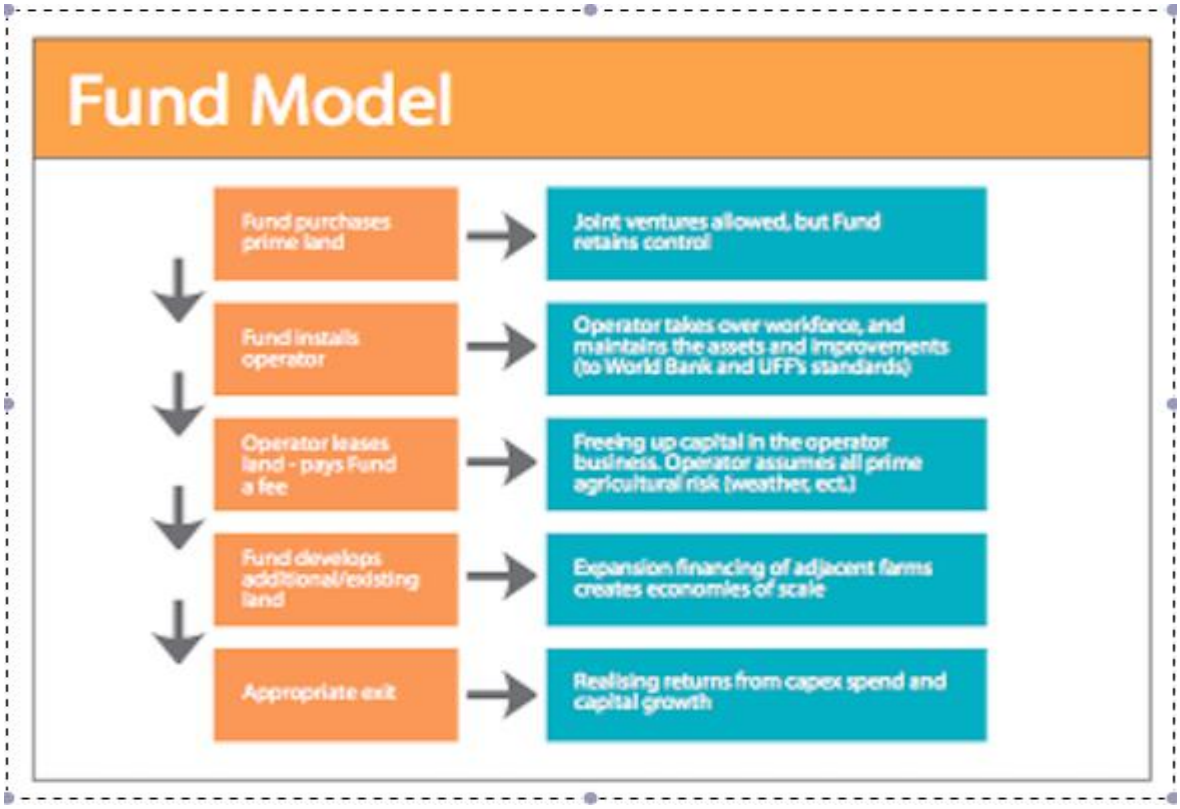

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OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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	Roles present in your organisation

☑ Board members or trustees

☑ Oversight/accountability for responsible investment

☐ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other Chief-level staff or head of department, specify

☑ Portfolio managers

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Investment analysts

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Dedicated responsible investment staff

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ External managers or service providers

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number

1

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

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☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☑ Responsible investment included in personal development and/or training plan

☐ None of the above

Portfolio managers

☑ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

Investment analysts

☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

Dedicated responsible investment staff

☐ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☑ Responsible investment included in personal development and/or training plan

☐ None of the above

OA 09.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Staff is annually evaluated on their performance, responsible investment is an integrated part of the investment process, therefore incorporated in the appraisal during the annual performance evaluation.

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

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OA 10.2	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☐ Asian Corporate Governance Association

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☐ CDP Climate Change

☐ CDP Forests

☐ CDP Water

☑ CFA Institute Centre for Financial Market Integrity

	Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

membership

☐ Council of Institutional Investors (CII)

☐ Eumedion

☐ Extractive Industries Transparency Initiative (EITI)

☐ Global Investors Governance Network (GIGN)

☐ Global Real Estate Sustainability Benchmark (GRESB)

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☐ International Corporate Governance Network (ICGN)

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☑ Local Authority Pension Fund Forum

	Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☑ Principles for Responsible Investment

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Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Attended UNPRI meeting in person in Cape Town. Active participation in the UNPRI Farmland working group, contributed to working papers.

☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

Impact Base

Your organisation's role in the initiative during the reporting year (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Updated and submitted information

☑ Other collaborative organisation/initiative, specify

IRIS, GINN

Your organisation's role in the initiative during the reporting year (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

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Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Collaborated in research, submitted and reviewed data fore GINN registry.

☑ Other collaborative organisation/initiative, specify

WWF

Your organisation's role in the initiative during the reporting year (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Meeting to exchange ideas and give feedback and input towards WWF standard development in agriculture.

☐ Other collaborative organisation/initiative, specify

○ No

OA 11	Mandatory	Core Assessed	PRI 4

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☐ Provided financial support for academic or industry research on responsible investment

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Other, specify

○ No

OA 12	Voluntary	Additional Assessed	PRI 4,5,6

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OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

◉ Yes

☐ Yes, individually

☑ Yes, in collaboration with others

OA 12.2	Select the methods you have used.

☐ Endorsed written submissions to governments, regulators or standard-setters developed by others

☐ Drafted your own written submissions to governments, regulators or standard-setters

☑ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

○ Yes, publicly available

◉ No

○ No

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

◉ Yes

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OA 13.2	Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

The Agrifund its geographical focus is driven predominantly by the assessment of risks related to these countries. Focus is on countries that are low- to medium-risk, and are in the natural investment sphere of South African companies, mainly in South- and Eastern Africa. Composite indexes and indicators on levels of governance, corruption, political stability, human rights, violence and crime are used as guidelines.

World Bank's Worldwide Governance Indicators: Political Stability& Absence of Violence and The Corruption Perceptions Index (CPI)

In its selection of Agri projects, the Agrifund has a stringent financial and social due diligence process. The Agrifund follows the OECD guidelines for Multinationals on prevention of bribery and corruption, and adheres to various guidelines and acts as set by South African law, being signatory to the OECD

○ No

OA 14	Voluntary	Descriptive	PRI 1

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

OA 14.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	% of total AUM
	100

OA 14.3	Please specify which thematic area(s) you invest in and provide a brief description.

	Area
	☐ Clean technology
	☐ Green buildings
	☐ Sustainable forestry
	☑ Sustainable agriculture

	Asset class invested
	☑ Farmland

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	Brief description of investment

The Fund invests mainly in equity investments in agricultural land, agribusinesses and farming infrastructure.

The Fund provides institutional investors with a unique opportunity to participate in the agricultural sector. Investors benefit from stable, long-term, non- market linked returns, access to a pool of assets not generally available to institutional investors and an opportunity to participate in long-term development within the agricultural sector.

Minimum initial investment per farm: R50m, but must be able to expand and consolidate to R100 million in the short term.

Fund Model

Fund purchases prime land

(Joint ventures allowed, but Fund retains control)

Fund installs operator

(Operator takes over workforce, and maintains the assets and improvements - to World Bank /IFC and UFF's standards)

Operator leases land - pays Fund a fee

(Freeing up capital in the operator business. Operator assumes all prime agricultural risk -weather, ect.)

Fund develops additional/existing land

(Expansion financing of adjacent farms creates economies of scale)

☐ Microfinance
☐ SME financing
☐ Social enterprise / community investing
☐ Affordable housing
☐ Education
☐ Global health
☐ Other area, specify

○ No

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General

OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Farmland	All farms in the due diligence phase, next to an agro and financial assessment, are assessed in-depth on their Environmental Social Governance (ESG). In line with Sedex Members Ethical Trading Audit guidelines (SMETA), onsite audits are carried out, seeking compliance with the Worldbank's International Finance Cooperation (IFC) Standards on Environmental Social Governance. The IFC standards are based on the Equator Principles ; incorporating and covering all relevant International Labour Organisation (ILO), United Nations (UN), World Health Organisation (WHO), Food& Agriculture Organisation (FAO) standards and conventions. The following core issues are addressed within the 8 specific standards: organizational governance and management systems; labour and working conditions, human rights, community health& safety, pollution prevention, land acquisition & resettlement, biodiversity and natural resource management, indigenous people & cultural heritage. All farms are Global G.A.P certified by independent auditors, reassuring consumers about how food is produced on the farm by minimizing detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare. The final ESG assessment report including follow up and improvements measurements regarding all 8 Performance Standards, is sent to the IC for approval. If not yet available up to standards, a solid health care program and skills transfer program for farm-employees is to be implemented on all farms. The farm will be obligated to invest every year into various programs and follow up measures, in order to comply with the IFC standards and Fund Guidelines. The conditions are laid down in the contract with the farm and are confirmed in detail in the ESG reports and follow up measures. Social development - education and healthcare: The Agrifund contributes to sustainable development, including education and health of the communities. The minimum annual spend on combined educational and healthcare programs, is 0,5% of invested capital and/or investment value. As most farm workers currently do not have access to health care, the Agrifund establishes access to primary health care services for permanent farm workers, provided by partner CareCross where available. The prepaid OcsaCare insurance offers the farm workers unlimited access to CareCross doctors, dentists and optometrists, free provision of acute& chronic medicines, radiology & pathology services according to protocol. Next to the health care program an education program will be rolled out including Adult Basic Education and Training (AET, covering numeracy, communication and literacy). Depending on the skills development level of farm workers; additional training like personal financial planning and life-skills are offered. From the 2nd year onwards, motivated farm workers are selected who will be granted the opportunity to participate in Agri -Management training, educating and training these workers become independent competitive farmers in the foreseeable future. Local and international acknowledged development projects: Various (local) ethical trade initiatives and social development projects are implemented where applicable, to support social development on farms. In South Africa, on dedicated farms, The Ethical Trading Initiative (ETI) Supervisor training program is implemented, promoting and protecting workers rights and equal treatment of all

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	workers at their level of responsibility. Where possible, agreements and guidelines derived from the South African Ethical Trade Handbook are implemented in line with the Sustainability Initiative of South Africa (SIZA) recommendations and requirements. Technical Training on Carbon footprint Calculating by Confronting Climate Change (CCC). The training and Calculations provide better understanding of the Carbon footprint of a farm; its electricity, pesticide and water usage. The farms get a comprehensive GHG emission profile, which assists in developing efficiency opportunities, for example solar energy and improving carbon efficiency going forward. All South African farms are linked with various programs supporting BBEE requirements; Employment Equity, Skills Development, labor relations and human rights, occupational Health& Safety acts. Reporting and results: The Agrifund monitors the farms with regards to social and environmental data, implementation of improvement measures, health care and education programs. ESG assessments take place on-site annually when necessary. The Agrifund reports quarterly to its investors on activities and progress towards social and ethical development and progress through Responsible Investment indicators: labour conditions, job security, healthcare, education, production, environmental impact. With all reporting, appropriate confidentiality considerations are taken into account. In line with UNPRI requirements, an annual report is published covering the progress made towards implementation of ESG initiatives.The Agrifund encourage local exits, contributing to local ownership; seeking to exit holdings by selling them to local farm managers and empowered workers.

Innovation

OA 18	Voluntary	Descriptive	General

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OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

UFF Asset Management recognizes the importance of results and improvements in performance on social responsibility. As front-runner and first asset Management Company in South Africa, the Agrifund has acquired the ISO26000 guidelines. This International standard on Social Responsibility provides guidance on the core subjects and issues pertaining to social responsibility and on ways to integrate socially responsible behavior into the organization. We use ISO2600 to implement and improve our Social Responsibility processes as organization.

Environmental Social Governance assessment (ESG) is a non-financial check at the operator (on farm level), next to the due diligence, performed by an independent qualified social systems consultant or Agrifund ESG specialist.

The ESG assessment forms part of the due diligence and is done before the farm is fully acquired and thereafter annually. For an ESG assessment, next to desktop research and a background check on the operator, the farm has to be visited; a socalled on site- inspection, to do an in-depth check.

The site audit is done in line with SMETA guidelines and includes the assessment of the farm organization itself as well as random checks of a representative sample of individual farmers and workers. Meetings are set up with farm managers; the administrative department, workers, committees and shop stewards are interviewed. Personnel files, time records and pay slips as well as training, Health& Safety documentation are verified. Inspection of the packing stations, agrochemical storage, houses, community buildings and local health clinics takes place. Depending of the size of the farm, an ESG assessment takes up to a full day. Following an assessment, a report including all information collected, pictures and annexes is written, structured according the 8 performance standards of the IFC.A draft of the report is returned to farm management and administrative department, for correction on mistakes. Depending on planning, 3 working days are allowed for correction at farm level. The final report is sent to the CIO and CFO for evaluation and reported to the IC board for confirmation.

The ESG report mentions non-compliance and improvement measures including timelines. Implementation of the micro health care insurance and educational programs are examples of improvement measures. The farm will be obligated to invest every year into various programs; the conditions are laid down in the contract with the farm and reconfirmed in detail in the ESG reports and follow up measures.

Farms are monitored and followed up with regards to implementation of improvement measures continuously and inspected on-site yearly. The Social and environmental data is checked and feedback is annually given in an ESG report and/or quarterly on by the investor required Metrics and/ or scorecards.

The Agrifund contributes to sustainable development, including education and health of the communities. The minimum annual spend on combined educational and healthcare programs, is 0,5% of invested capital and/or investment value.

As most farm workers currently do not have access to health care, the Agrifund establishes access to primary health care services for permanent farm workers, provided by partner CareCross where available. The prepaid OcsaCare insurance offers the farm workers unlimited access to CareCross doctors, dentists and optometrists, free provision of acute& chronic medicines, radiology & pathology services according to protocol.

Next to the health care program an education program will be rolled out including Adult Basic Education and Training (AET, covering numeracy, communication and literacy). Depending on the skills development level of farm workers; additional training like personal financial planning and life-skills are offered.

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From the 2nd year onwards, motivated farm workers are selected who will be granted the opportunity to participate in Agri -Management training, educating and training these workers become independent competitive farmers in the foreseeable future.

For those farms where housing is provided by farms; housing has to meet with national law and where feasible upgraded according the Best Practice from the Worker Accommodation guidelines as set by IFC. On all farms a comprehensive housing audit takes place assessing the status of seasonal and permanent worker housing, hostels and dormitories as well as ablution facilities. Where necessary, the Agrifund pre-finances the upgrading of the current permanent and seasonal housing as well as construction of hostels and seasonal worker housing. New or current housing is never built on fertile or arable lands. Diversification of land is promoted under IFC Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management.

The Agrifund looks for demand driven investments, based on a need for capital with an aim for long-term investments, not seeking for short-term gains. The potential risks involved with land ownership are reduced by investing in agricultural businesses as opposed to only investing in isolated land ownership. This implies that the investment will be able to contribute to a significant extent towards the economic and personal development of the workforce and of the local communities.

The following key issues are integrated during the investment period, to safeguard sustainability and to address rural development in a proper manner:

Active participation by workforce and local communities is established through ownership and/ or employment. Where possible, the current workforce is kept on the farm. Engagement in broad based economic empowerment; education and transfer skills, whether technical, managerial or financial are established to empower workers and create independent emerging farmer. The needs of employees and where applicable the surrounding community are integrated. There is a commitment to ensuring food security through the continuous improvement of farming techniques, taking into account local food security. Supporting the development of the community through infrastructure development and job creation. The Agrifund encourage local exits, contributing to local ownership; seeking to exit holdings by selling them to local farm managers and empowered workers.

Assurance of responses

OA 19	Voluntary	Additional Assessed	General

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

◉ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.

☑ Reviewed by Board, CEO, CIO or Investment Committee

☑ Validated by internal audit or compliance function

☐ Assured by an external independent provider, specify name

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OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.

Internal meeting, CEO and compliance officer review content of reported information, accounts department review financial reporting. ESG reports, annual reports are reviewed by IC and CEO.

○ No

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